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ROBERT J. DORIS, A. CLAY LEIGHTON,
MARY C. SAUER, MARK ELY, ROBERT M. GREBER,
PETER J. MARGUGLIO and R. WARREN LANGLEY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CITY OF WESTLAND POLICE AND FIRE
RETIREMENT SYSTEM AND PLYMOUTH
COUNTY RETIREMENT SYSTEM, On Behalf
of Itself and All Others Similarly Situated,

Plaintiff,

v.

SONIC SOLUTIONS, DAVID C. HABIGER,
ROBERT J. DORIS, A. CLAY LEIGHTON,
MARY C. SAUER, MARK ELY, ROBERT M.
GREBER, PETER J. MARGUGLIO and R.
WARREN LANGLEY,

Defendants.

Case No.: C 07-5111(JSW)

CLASS ACTION

[PROPOSED] ORDER GRANTING
DEFENDANTS' MOTION TO
DISMISS THE CONSOLIDATED
CLASS ACTION COMPLAINT

Date: September 5, 2008

Time: 9:00 a.m.

Trial Date: None Set

The Honorable Jeffrey S. White

1 Defendants Sonic Solutions, David C. Habiger, Robert J. Doris, A. Clay Leighton,
2 Mary C. Sauer, Mark Ely, Robert M. Greber, Peter J. Marguglio and R. Warren Langley's
3 ("Defendants") Motion to Dismiss the Consolidated Class Action Complaint pursuant to
4 Rule 12(b)(6) of the Federal Rules of Civil Procedure came on for hearing on September 5,
5 2008, at 9:00 a.m. in this Court. Counsel for Defendants and for Plaintiffs were in
6 attendance and presented oral arguments. Having considered the parties' papers filed in
7 support of and in opposition to the motion, oral argument, and other pleadings and papers
8 on file herein, the Court finds the following:

9 1. With respect to the first cause of action for violation of Section 10(b) of the
10 Securities Exchange Act of 1934 (the "Exchange Act"), Plaintiffs fail to plead facts giving
11 rise to a "cogent and compelling" inference of scienter on the part of any Individual
12 Defendant, as required by *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 127 S. Ct. 2499,
13 2510 (2007). Because Plaintiffs have failed to plead scienter as to any of the Individual
14 Defendants, they also fail to plead scienter as to the Company. As to Defendants Ely,
15 Greber, Langley, and Marguglio, Plaintiffs also fail to attribute any misstatement to them
16 because the Complaint does not allege with the required particularity that these Defendants
17 participated in the preparation of the challenged statements. Nor has the Complaint
18 successfully alleged that these Defendants participated in a scheme to be held liable under
19 the theory of "scheme" liability.

20 2. With respect to the second cause of action for violation of Section 20(a) of the
21 Exchange Act, Defendants are not liable as control persons because Plaintiffs have failed to
22 plead a predicate violation of the federal securities laws. Moreover, Plaintiffs have failed to
23 plead with particularity facts establishing that any of the Individual Defendants exercised
24 control over the Company.

25 3. With respect to the third cause of action for violation of Section 20A of the
26 Exchange Act, Defendants are not liable for the insider trading claims because Plaintiffs
27 have failed to plead a predicate violation of the federal securities law. In addition, Plaintiffs
28 have not alleged that they purchased Sonic securities contemporaneously with the purported

1 sales of Defendants Sauer, Ely, Marguglio, Langley, and Greber.

2 **IT IS THEREFORE ORDERED** that Defendants' Motion to Dismiss is
3 **GRANTED**, and the Complaint is dismissed without leave to amend.

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5 **IT IS SO ORDERED.**

6
7 DATED: _____

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9 _____
10 The Honorable Jeffrey S. White
11 UNITED STATES DISTRICT JUDGE
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